6. INACTIVITY. A corporation which has not engaged in any business activities for which it was granted a certificate of incorporation for all or any part of the tax year may be entitled to reduce its franchise tax for that portion of the year by one-half. However, the total tax may not be reduced below $20.00. To obtain this reduction, the corporation must enter the period(s) of inactivity in Section 8. of the Annual Franchise Tax Report.

7. PRORATION OF TAX YEAR. Corporations which filed certificate of incorporation or renewed their certificate of incorporation during the tax year are only required to pay taxes for the portion of the tax year the corporation was in existence. Corporations incorporated on, or after, December 21, 1982 and before January 1, 1983, are required to file the 1982 Annual Franchise Tax Report and remit the $10.00 filing fee, but are not required to pay the franchise tax for the year 1982. The State's Calculation of the Franchise Tax includes any prorations of the tax year. Tax may be prorated by dividing the number of days the Corporation was in existence during the tax year by 365 and multiplying the result by the tax. Example: if incorporated on July 30, 1982, prorated tax equals [(155 days/365 days) x tax]. Prorated tax may not be reduced below $20.00.

8. CHANGE IN AUTHORIZED SHARES. A corporation which has changed the number of its authorized shares during the tax year may compute its tax using either the Assumed Par Value Capital Method or the Authorized Shares Method. However, the tax must be computed separately for each period of the tax year during which a different number of shares, or different par value, was authorized. The tax resulting from each computation is prorated by dividing the number of days during the tax year the shares were authorized by 365 (or by the number of days the corporation was in existence during the tax year) and multiplying the result by the tax.

9. TAX RATE SCHEDULES. The tax rate schedules for the Authorized Shares Method and the Assumed Par Value Capital Method are shown below. The tax is never less than $20.00 nor more than $110,000.00 for corporations with authorized shares.

AUTHORIZED SHARES METHOD TAX SCHEDULE

Total Authorized Shares	Tax
0	$00.00
1 to 1,000	$20.00
1,001 to 3,000	$24.20
3,001 to 5,000	$30.25
5,001 to 10,000	$60.50
For each additional 10,000 shares or part thereof	$30.25

Example: tax for 10,001 authorized shares is $90.75

ASSUMED PAR VALUE CAPITAL METHOD TAX SCHEDULE

If the Assumed Par Value Capital is $1,000,000.00 or less, the tax is .0121 % of the Assumed Par Value Capital. Example: Tax for $500,000.00 Assumed Par Value Capital is $60.50

If the Assumed Par Value Capital is $1,000,000.00 or more, the tax is $121.00 for each $1,000,000.00 or portion therof (i.e. round-up to the next whole million). Example: Tax for $1,000,000.00 is $121.00 whereas tax for $1,000,001.00 is $242.00.

10. REGULATED INVESTMENT COMPANIES. Corporations which are Regulated Investment Companies, as defined by Section 851 of the Federal Internal Revenue Code, are eligible to base their tax, in addition to the Authorized Shares Method and Assumed Par Value Capital Method, on average gross assets. "Average Gross Assets" is taken to be the mean of the gross assets on January 1 and December 31 of the tax year. The January 1 gross assets is the same as the December 31 gross assets reported on the previous year tax report. The gross assets as of January 1, 1982 and December 31, 1982, must be entered in the space provided in Section 3 of the Annual Franchise Tax Report. The tax rate schedule for average gross assets is $181.50 per annum for each $1,000,000.00 or fraction thereof in excess of $1,000,000.00 of the average gross assets for the taxable year. The maximum tax is $55,000.00. Prorations to account for changes in authorized shares or filing for periods of inactivity are not applicable when using this method for calculating tax.

11. PROFESSIONAL COMPANIES. Attach a list of all shareholders to this report.

12. PENALTY AND INTEREST. Unless the 1982 Annual Franchise Tax Report and appropriate remittance is received in the Division of Corporations on, or before, March 1, 1983, a penalty of $25.00 will be imposed. Interest at the rate of one percent (1%) per month will be assessed after March 1, 1983, on the Franchise Tax due and the penalty until these taxes are paid in full. Enter any penalty due in Section 10.B. and any interest due in Section 10.C.

13. REVISION OF ASSESSMENT. You may petition the Secretary of State for a review of the assessment of franchise taxes. Petition forms are available from the Divison of Corporations upon request.

14. PAYMENT. The 1982 Annual Franchise Tax Report when properly completed and executed together with the appropriate remittance, must be received and filed by the Secretary of State, Division of Corporations on, or before, March 1, 1983. Checks must be drawn on U.S. banks and in U.S. dollars. Money orders must be in U.S. dollars.

Make checks payable to:	Mail to:	Deliveries:
Secretary of State, Dover, Delaware	Division of Corporations P.O. Box 898 – F Dover, Delaware 19901	Division of Corporations Townsend Building, Room 46 Federal & Loockerman Streets Dover, Delaware 19901

15. BEFORE MAILING. Check for the following important items before mailing the Annual Franchise Tax Report to the Division of Corporations:

a. The Annual Franchise Tax Report (Section 14) has been **signed by an officer, director, or incorporator using black ink.**

b. Franchise Tax (Section 10.A.) **may not be less than $20.00,** except for corporations: that are non-taxable; without authorized shares; filed a certificate of incorporation within the final eleven days of the tax year or, exempt under Section 518. Periods of inactivity or proration may not reduce the franchise tax below $20.00.

c. In addition, Franchise Tax (Section 10.A.) **may not be more than $110,000.00.**

d. Enter the Corporation File Number (Section 2.) on the check or money order on the lower left-hand corner.

e. Is your check signed? Does the amount of the check match the amount shown in Section 10.H.?

f. Thank you for filing a timely report.